

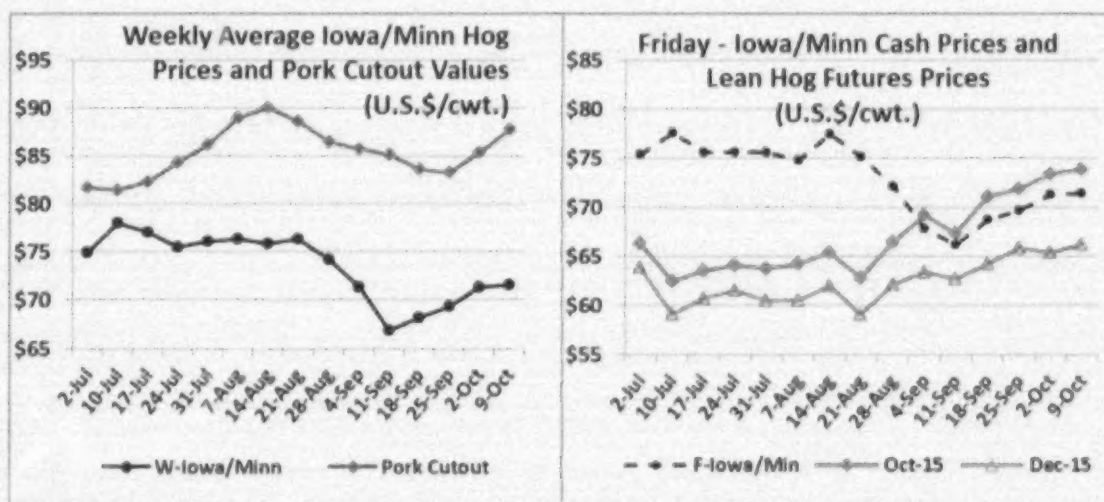
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Weekly Hog Report

October 13, 2015

Cash Slaughter Weight Hog Prices

United States daily average cash hog prices (Iowa/Minn) were overall steady last week and managed to edge slightly higher, week-over-week. Hog prices on Friday October 9 averaged US\$71.42 per cwt, up slightly (US\$0.11 per cwt) from US\$71.31 per cwt the previous Friday. The negotiated base price last week averaged US\$71.58 per cwt, up slightly (US\$0.18 per cwt) from US\$71.40 per cwt the previous week.



Source: LMIC

Source: LMIC, CME

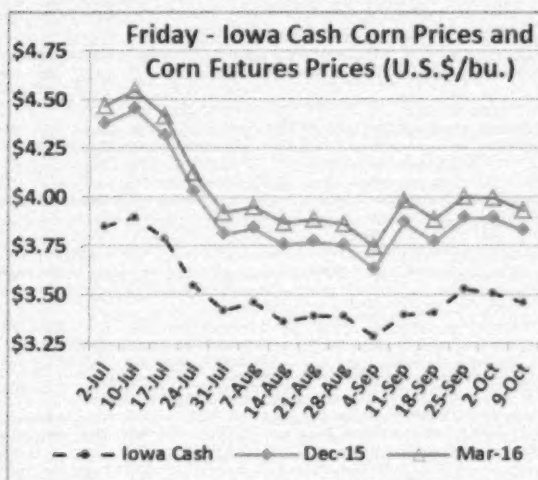
In Canada, the Signature#3 (Maple Leaf) Index 100 daily price for Friday Oct. 9, 2015 was \$170.06 per ckg, down \$2.49 per ckg or 1.4 per cent from \$172.55 per ckg the previous Friday. Signature#3 weekly prices (Friday to Thursday) averaged \$171.31 per ckg, down \$1.18 per ckg or 0.7 per cent from the previous weeks' average price of \$172.49 per ckg. The Canadian dollar moved higher last week increasing 1.34 cents to close Friday at 77.30 cents; up from the previous Friday's close of 75.96 cents. The higher Canadian dollar over the week helped pressure Canadian hog prices lower.

Futures Markets

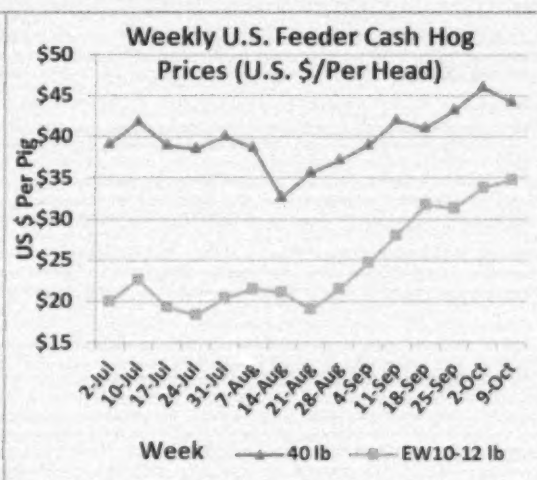
United States Lean hog futures daily prices were mixed over the week but edged higher, week-over-week. The nearby October contract increased US\$0.475 per cwt to settle Friday at US\$73.825 per cwt, while the December contract increased US\$0.750 per cwt to settle Friday at US\$66.125 per cwt. Current cash hog prices are below the October lean hog contract, but over \$5 per cwt higher than the December futures contract.

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices were mixed last week. Weighted average cash prices for iso-weans (12lb) last week were US\$34.79 per head, US\$1.01 per head higher from US\$33.78 per head the previous week. Feeders (40lb) were US\$44.15 per head, down \$1.85 per head from US\$46.00 per head the previous week.



Source: LMIC



Source: Iowa Agriculture, CME

Iowa cash corn prices edged lower week-over-week declining five cents to settle Friday at US\$3.46 per bushel. Corn futures prices declined later in the week to end the week also lower, week-over-week. The December corn futures contract declined 6.5 cents over the week to settle Friday at \$3.82¾ per bushel, while the March 2016 contract declined six cents to settle Friday at \$3.93½ per bushel.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the week ending October 10 were estimated at 2.290 million head, up 0.9 per cent from 2.270 million head the previous week, and up 6.8 per cent from 2.144 million head the same week a year ago. U.S. hogs slaughtered over the last four weeks ending October 10 averaged 2.282 million head per week, up 9.2 per cent from 2.090 million head over the same period a year ago.

In Canada, federal and provincial hog slaughter numbers for the week ending October 3, 2015 were estimated at 425,670 head, up 3.4 per cent from 411,784 head the previous week, and up 4.4 per cent from 407,900 head the same week a year ago. Canadian hogs slaughtered over the last four weeks ending October 3, 2015, were estimated to average 403,812 head, up 1.5 per cent from 397,867 head over the same period a year ago. Year-to-date, Canadian hogs slaughtered are 15.966 million head, up 2.8 per cent from over the same period in 2014.

Meat Production

U.S. pork production for the week ending October 10, 2015 was estimated at 480.4 million lb., up 1.2 per cent from 474.9 million lb. the previous week, and up 5.1 per cent from 456.9 million lb. the same week a year ago. Pork production over the last four

weeks ending October 10 was estimated to average 478.4 million lb., up 7.6 per cent from 444.5 million lb. over the same four week period a year ago. Average live hog weights were about five pounds lighter than the same week a year ago.

U.S. beef production for the week ending October 10 was estimated at 471.9 million lb., down 2.3 per cent from 483.0 million lb. the previous week, but up 1.5 per cent from 464.9 million lb. the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending October 2, 2015, was estimated to average 2.029 billion lb., up 1.6 per cent from 1.998 billion lb. over the same four weeks a year ago. Year-to-date, total U.S. meat production for 2015 is estimated to be up 3.8 per cent compared to the same period in 2014.

United States Weekly Meat Production

(Oct. 3) Four Week Average - Million Lb.			Percent Change	
	2014	2015	4 Week	YTD 2015
Pork	439.0	465.9	6.1%	7.9%
Beef	474.1	470.9	-0.7%	-3.5%
Chicken	944.9	978.8	3.6%	6.7%
Turkey	139.5	113.9	-18.4%	-4.3%
Total	1,997.5	2,029.5	1.60%	3.79%

Source: LMIC

Cutout Values

U.S. pork cutout values for the week ending October 10, 2015 averaged US\$87.71 per cwt, up US\$2.31 per cwt or 2.7 per cent from US\$85.40 per cwt the previous week, but down 29.0 per cent from US\$123.56 per cwt from a year ago.

Choice beef cutout prices (600-900 lb.) for the week ending October 10, 2015 averaged US\$203.67 per cwt, down US\$4.77 per cwt or 2.3 per cent from US\$208.44 per cwt the previous week, and down 17.0 per cent from US\$245.26 per cwt the same week a year ago.

Average chicken cutout values (breast) for the week ending October 10, 2015 averaged US\$116.48 per cwt, down US\$1.81 per cwt from US\$118.29 per cwt the previous week, and down 36.8 per cent from US\$184.16 per cwt the same week a year ago.

United States Pork Exports

United States exported 160,719 metric tons of pork plus pork variety meats in August 2015, down 3.5 per cent from 166,604 metric tons in July 2015, and down 1.4 per cent from 162,992 metric tons in August 2014. By dollar amount, U.S. pork exports in August 2015 were US\$429.8 million, down 3.0 per cent from US\$443.1 million in July 2015, and down 18.9 per cent from US\$529.9 million in August 2014.

Year-to-date as of August 2015, U.S. pork plus pork variety meat exports are down 4.7 per cent by volume and down 17.3 per cent by value. Exports are lower to Japan, China, and Canada, but still higher to Mexico and South Korea. However, by dollar value exports are lower to Mexico, likely on lower cuts being sent there. (Source: U.S. Meat Export Federation)

USDA World Agricultural Supply and Demand Estimates (WASDE)

On October 9, the USDA released the October World Agricultural Supply and Demand Estimates (WASDE). United States October corn production estimates were increased from September by 0.5 bushel per acre to 168.0 bushels per acre, on 80.7 million acres harvested (down 0.4 million acres). U.S. corn production estimates for October totaled 13.555 billion bushels, down 30 million bushels from September. USDA estimates were higher than the average trade estimates of 167.1 bushels per acre and total estimated production of 13.504 billion bushels. U.S. farm corn price estimates were increased by five cents per bushel to range between US\$3.50 and US\$4.10 per bushel for 2015/16. USDA projected global corn production for the current year at 5.5 million tons lower from the September estimates.

USDA October World Agricultural Supply and Demand Estimates

Quarter		Million Pounds				Total Red Meat & Poultry
		Beef	Pork	Broiler	Turkey	
2013	Annual	25,720	23,187	37,830	5,806	93,333
2014	Annual	24,252	22,843	38,550	5,756	92,171
2015	Sept. Proj.	23,549	24,526	40,012	5,568	94,406
2015	Oct. Proj.	23,794	24,581	40,037	5,543	94,702
% Chg.	Sept. - Oct. 15	1.04%	0.22%	0.06%	-0.45%	0.31%
% Chg.	2014-2015	-1.89%	7.61%	3.86%	-3.70%	2.75%
2016	Oct. Proj.	24,960	24,925	40,925	6,010	97,589
% Chg.	2015-2016	4.90%	1.40%	2.22%	8.43%	3.05%

Source: USDA October WASDE Report, October 9, 2015

The USDA WASDE report estimated that United States Red Meat and Poultry production for 2015 will be 94.702 billion lb., a 0.3 per cent increase from the September estimates, and a 2.75 per cent increase from 2014 production. United States meat production for 2015 is projected to increase for pork (+7.6%), broilers (+3.9%), but decrease for beef (-1.9%) and turkeys (-3.7%), from 2014. Meat production estimates for 2016 were increased from September with increases to beef and pork production. U.S. meat production for 2016 is projected at 97.589 billion lb., up 3.0 per cent from the current 2015 projections, with beef (+4.9%) and turkey (+8.4%) leading the way.

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